



GRAIN TRANSPORTATION REPORT

Transportation & Marketing, Agricultural Marketing Service
United States Department of Agriculture

SEPTEMBER 4, 2003

<u>TM GRAIN TRANSPORT COST</u> <u>INDICATORS</u>	<u>Ocean</u>				
	<u>Truck</u>	<u>Rail</u>	<u>Barge</u>	<u>Gulf</u>	<u>PNW</u>
Indicator Value* for 09/04	101	175	104	152	138
Compared to Last Week	Unchanged	↑	Unchanged	↑	↓
*Indicator: Base Year 2000=100; Weekly Updates include Truck=Diesel; Rail=Nearby Secondary Rail Market; Barge=Spot Illinois River Basis; Ocean Vessel based on Routes to Japan					

Sept. 7-9	World Fertilizer Conference	Boston, MA	202-962-0490 (ph) 202-962-0577 (fax)
Sept. 10-12	Greater New Orleans Barge Fleeting Assoc. 2003 River & Marine Industry Seminar	New Orleans, LA	Alan Savoie 985-783-6605 (ph) www.gnobfar.com
Sept. 19-24	National Association of State Dept. of Agriculture (NASDA) Annual Meeting.	Boise, ID	Kelly Killen 208-332-8503 Robin Mason 208-332-8500
Sept. 24-26	National Waterways Conference Annual Meeting	Houston, TX	202-296-4415 (ph) 202-835-3861
Sept. 28-Oct. 3	2003 American Association of Port Authorities (AAPA) Annual Convention	Curacao, Netherlands Antilles	703-684-5700 (ph) 703-684-6321 info@aapa.ports.org
Oct. 8-10	11 th Annual Soy Symposium	Chicago, IL	1-888-772-8454 (ph) Soy@communiqueinc.com
Oct. 18-21	National Assoc. Of Wheat Growers (NAWG) Fall Board Meeting	Minneapolis, MN	202-547-7800 (ph) 202-546-2638 (fax) wheatworld@wheatworld.org
Nov. 3-6	2003 Railroad Environmental Conference	Urbana, IL	Kimberley Hagemann 217-244-0841(ph) 217-333-1924 (fax)
Nov. 19-20	National Conference for Agribusiness	West Lafayette, IL	765-494-4247 (ph)

Report is prepared by Deen Olowolayemo, Johnny Hill and Karl Hacker, Agricultural Economists, Transportation & Marketing, Agricultural Marketing Service, USDA (202) 690-1304. Support provided by Upper Great Plains Transportation Institute, North Dakota State University. This report can be found on the Internet at www.ams.usda.gov/tmd/grain.htm. E-mail comments_and_questions_to_Surajudeen.Olowolayemo@usda.gov.

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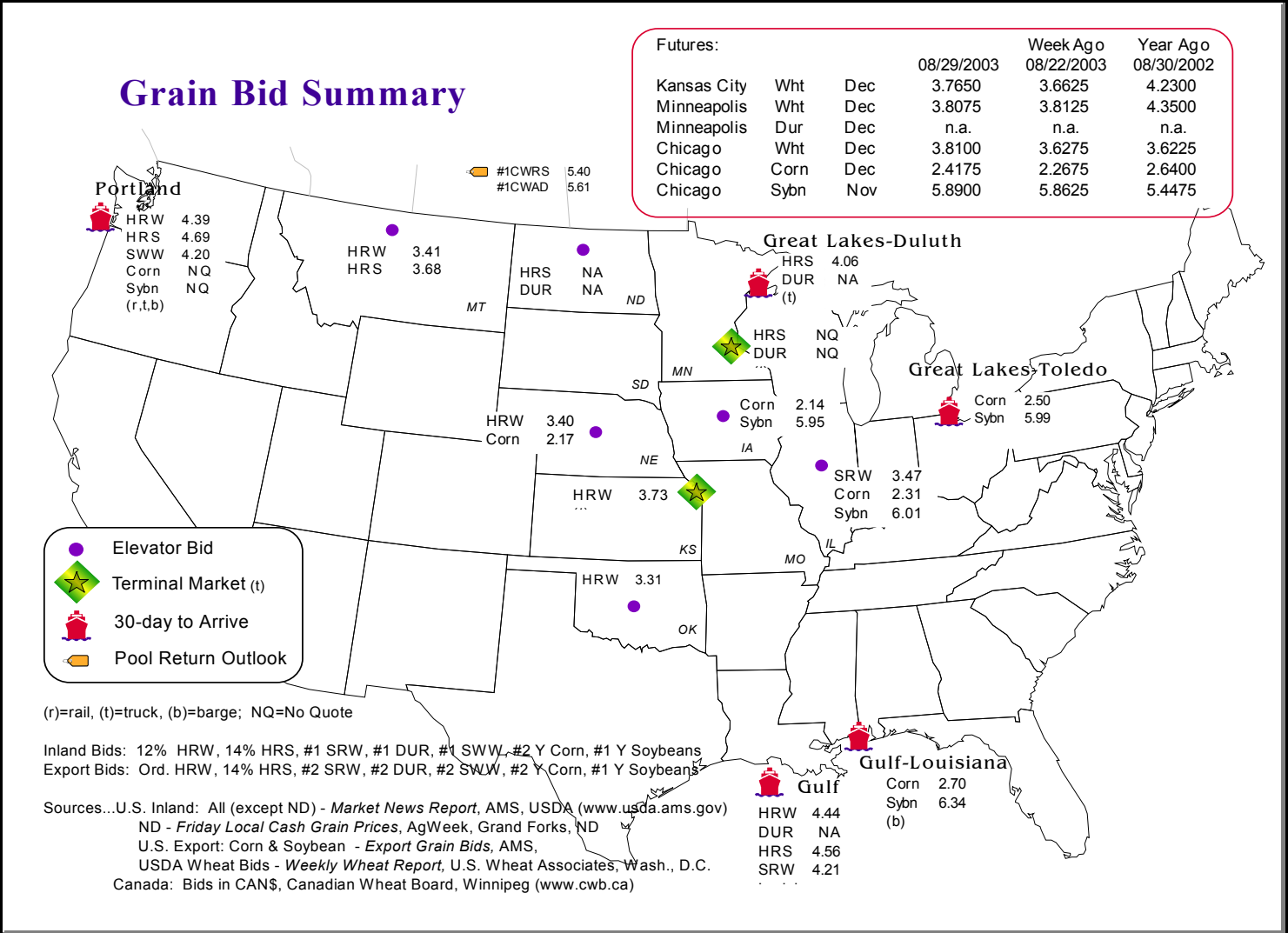
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The Grain Transportation Report is a weekly news source for grain logistics. Detailed data and trend information on five major modes: barge, truck, rail, container, and vessel, provide timely insight into grain transport. The report is offered to policymakers and industry as a tool in day-to-day decision making and longer-term strategic planning for an effective and efficient U.S. grain logistics system.

Market Update: U.S. Origins to Export Position Price Spreads (Per Bushel)

Commodity	Origin-- Destination	This week	Last week
Corn	IL -- Gulf	-0.39	-0.41
Corn	NE -- Gulf	-0.53	-0.54
Soybean	IA -- Gulf	-0.39	-0.41
HRW	KS -- Gulf	-0.71	-0.69
HRS	ND -- Portland	N/A	-1.33

The **Grain Bid Summary** illustrates the market relationships for commodities. Positive and negative adjustments in differential between terminal and futures markets, and the relationship to inland market points, are indicators of changes in fundamental market supply and demand. The map may be used to monitor market and time differentials.

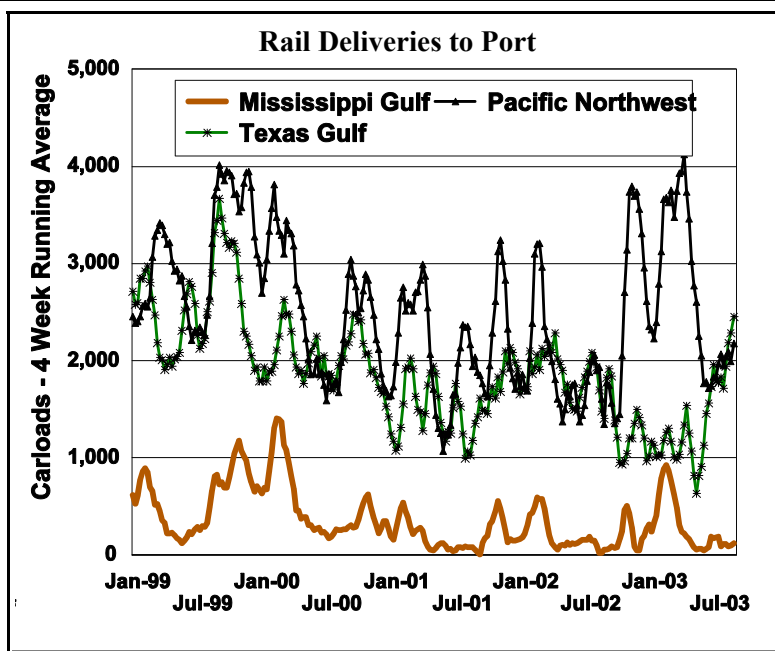
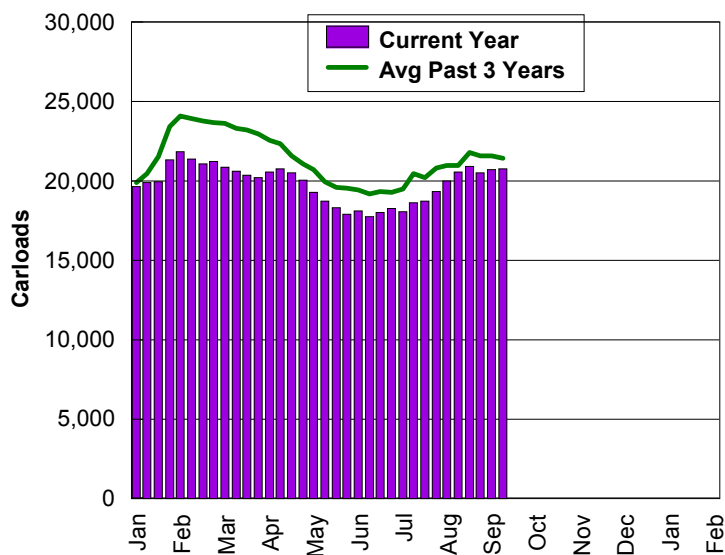


RAIL TRANSPORTATION

Rail Deliveries to Port (Carloads)

	Mississippi Gulf*	Texas Gulf	Pacific Northwest	Atlantic & East Gulf	Total
Week Ending:					
08/20/03	136	2,317	1,852	164	4,469
08/27/03	209	2,577	2,307	189	5,282
YTD 2003	9,846	48,808	91,508	11,280	161,442
YTD 2002	7,297	64,030	66,557	15,306	153,190
% YTD 2002	135%	76%	137%	74%	105%
Total 2002	11,127	85,822	113,857	21,562	232,368
Total 2001	10,022	81,804	111,376	26,604	229,806

Source: Transportation & Marketing/AMS/USDA; (*) Incomplete Data

**Grain Car Loadings for Class I Railroads**

Railroads originate approximately 40% of U.S. grain shipments. Trends in these loadings are indicative of market conditions and expectations.

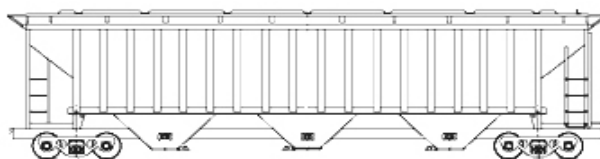
Class I Rail Carrier Grain Car Bulletin (Grain Carloads Originated and Grain Service Index)

	East		West			U.S. Total	Canada	
	CSXT	NS	BNSF	KCS	UP		CN	CP
08/22/03	2,521	3,260	8,831	623	6,161	21,396	4,917	4,731
This Week Last Year	2,010	3,229	7,629	322	6,860	20,050	2,745	3,953
2003 YTD	92,980	109,466	246,391	13,298	219,185	681,320	116,536	121,157
2002 YTD	93,412	106,159	250,994	18,419	226,074	695,058	134,621	123,858
% of Last Year	100%	103%	98%	72%	97%	98%	87%	98%
2002 Total	142,760	164,745	400,179	27,161	344,296	1,079,141	191,835	195,765

U.S. Rail Covered Hopper Cars Online Index*

Aug-03	94.1	99.8	94.9	97.9	94.4	95.4
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Source: Association of American Railroads; *Base Year =2001, Index based on Number of Covered Hopper Cars Online (available for Service).

**Tariff Rail Rates for Unit Train Shipments**

September 2003

Source: www.bnsf.com, approximate load per car = 100 tons: Corn 56 lbs/bu, Wheat & Soybeans 60 lbs/bu*

Date Effective	Tariff Item	Commodity	Origin	Destination	Rate Per Car	Rate Per MT	Rate/Per Bushel*
09/02/03	113710	Wheat	Kansas City, MO	Galveston, TX	\$1,820	\$20.06	\$0.55
09/02/03	43521	Wheat	Minneapolis, MN	Portland, OR	\$4,148	\$45.72	\$1.24
09/02/03	46540	Wheat	St. Louis, MO	Houston, TX	\$1,945	\$21.44	\$0.58
09/02/03	113710	Wheat	Kansas City, MO	Laredo, TX	\$2,280	\$25.13	\$0.68
09/02/03	15507	Wheat	Chicago, IL	Albany, NY	\$1,834	\$20.22	\$0.55
09/02/03	31005	Corn	Minneapolis, MN	Portland, OR	\$3,130	\$34.50	\$0.88
09/02/03	1132.002	Corn	Chicago, IL	Baton Rouge, LA	\$2,736	\$30.16	\$0.77
09/02/03	1132.03	Corn	Council Bluffs, IA	Baton Rouge, LA	\$2,170	\$23.92	\$0.61
09/02/03	113210	Corn	Evansville, IN	Raleigh, NC	\$1,686	\$18.58	\$0.47
09/02/03	1132	Corn	Des Moines, IA	Laredo, TX	\$2,864	\$31.57	\$0.80
09/02/03	61110	Soybean	Minneapolis, MN	Portland, OR	\$3,110	\$34.28	\$0.93
09/02/03	1144	Soybeans	Chicago, IL	Baton Rouge, LA	\$2,736	\$30.16	\$0.82
09/02/03	1144	Soybeans	Council Bluffs, IA	Baton Rouge, LA	\$2,799	\$30.85	\$0.84
09/02/03	1144	Soybeans	Des Moines, IA	Laredo, TX	\$2,864	\$31.57	\$0.86
09/02/03	11441	Soybeans	Evansville, IN	Raleigh, NC	\$1,686	\$18.58	\$0.51

Secondary Rail Car Market

Average Premium/Discount to Tariff, \$/Car - Last Week

	Delivery Period			
	Oct-03	Nov-03	Dec-03	Jan-04
BNSF-GF	\$116	\$35	\$16	\$5
UP-Pool	\$42	\$20	\$16	\$5

Rail service may be ordered directly from the railroad via **Auction** for guaranteed service or tariff for non-guaranteed service, or through the secondary market. The **Secondary Rail Market** information reflects trade values for service that was originally purchased from the railroad carrier as some form of guaranteed freight. The auction and secondary rail values are indicators of rail service quality and

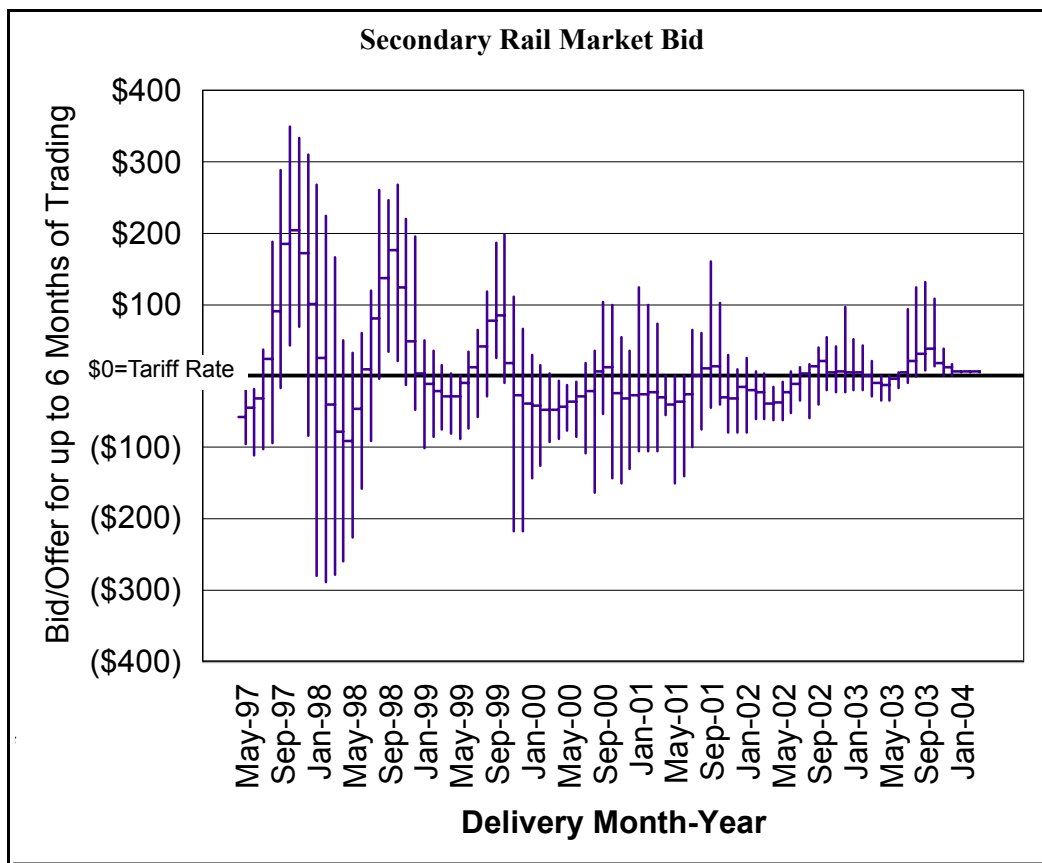
Railroad Car 'Auction' Results

Average Premium/Discount to Tariff, \$/Car - Last Auction

Delivery for:	Oct-03	Nov-03	Dec-03
COT/N. Grain	\$10	\$8	\$1
COT/S. Grain	\$2	\$1	\$0
GCAS/Region 1	\$2	no bid	no bid
GCAS/Region 2	\$13	\$5	no bid

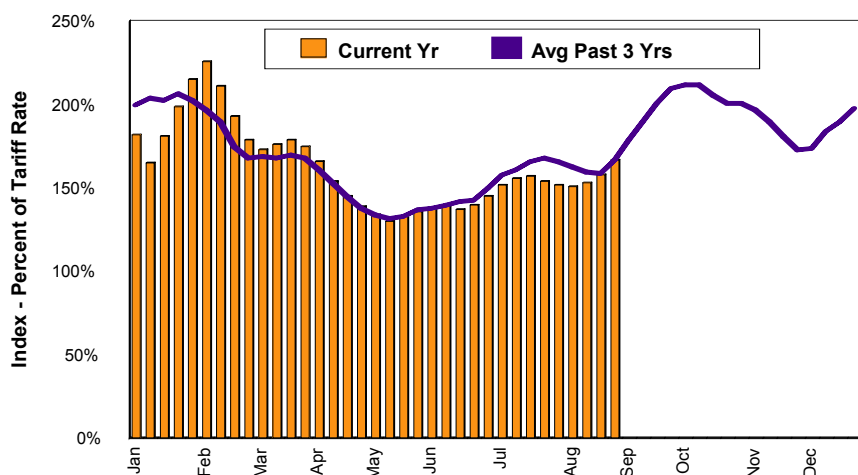
Source: Transportation & Marketing/AMS/USDA.

COT=Certificate of Transportation; GCAS=Grain Car Allocation System



BARGE TRANSPORTATION

Illinois River Barge Rate Index - Rate Quotes



The **Illinois River Barge Rate Index** averaged 183% of the Benchmark Tariff Rate between 1999 and 2001, based on weekly market quotes. The **Index**, along with **Rate Quotes** and **Futures Market** bids are indicators of grain transport supply and demand.

Calculating **Barge Rate** Per Ton:
 $\text{Index} \times \text{1976 Tariff Benchmark Rate per Ton}$

Select applicable index from market quotes included in tables on this page. The 1976 benchmark rates per ton are provided in map below.

BARGE RATE QUOTES: Southbound Barge Freight Index=Percent of Tariff, Based on 1976 Tariff Benchmark Rate

	8/27/03	8/20/03	Sept '03	Nov '03
Twin Cities	215	211	248	262
Mid-Mississippi	206	186	227	218
Illinois River	188	170	218	203
St. Louis	199	168	211	177
Lower Ohio	180	165	220	186
Cairo-Memphis	176	150	199	153

Source: Transportation & Marketing /AMS/USDA

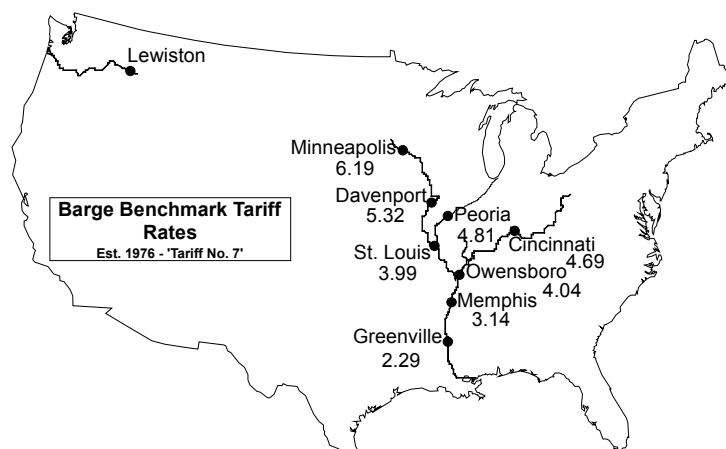
BARGE FUTURES MARKET

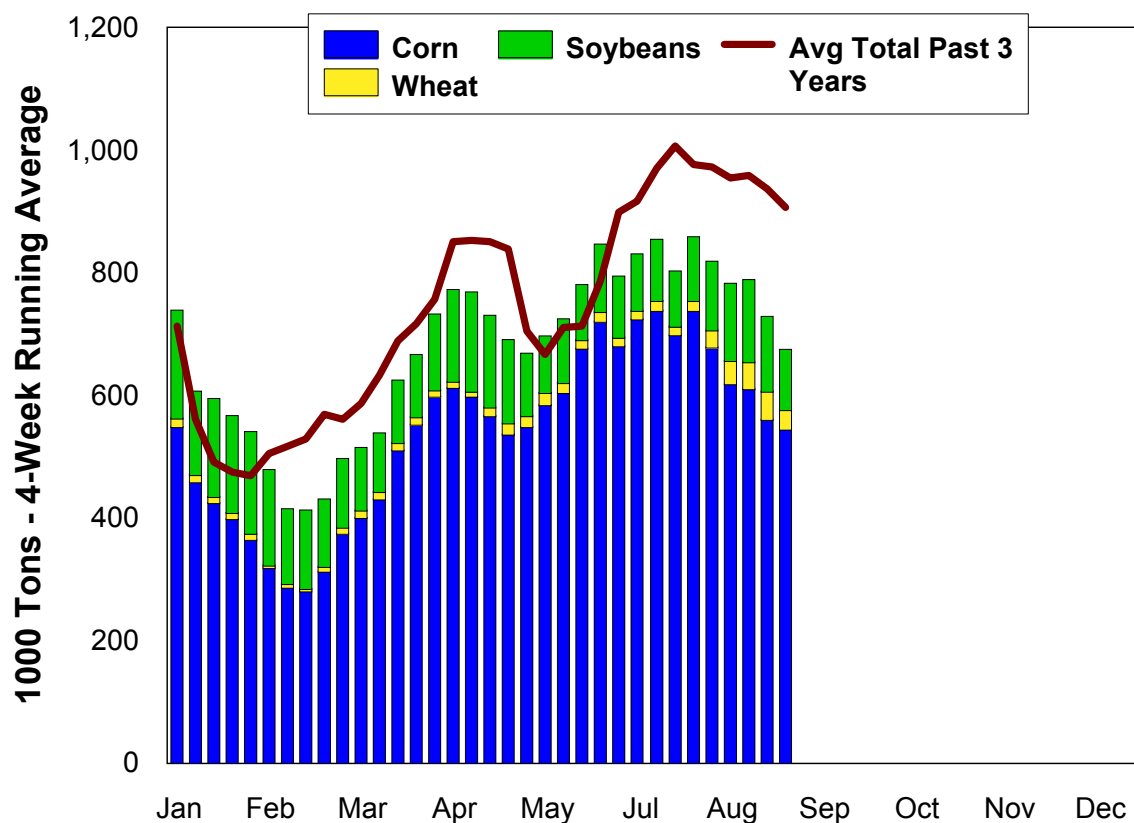
Southbound Barge Freight Nominal/Cash Basis Values

Index=Percent of Tariff, Based on 1976 Tariff Benchmark Rate

Week ended	River/Region	Contract Period	Rate	
			Futures	Cash
9/02/03	St. Louis	Oct.	n/a	225
		Dec.	n/a	140
		Jan.	n/a	140
		Feb.	n/a	140
		Mar.	n/a	140
	Illinois River	Oct.	n/a	255
		Dec.	n/a	180
		Jan.	n/a	205
		Feb.	n/a	185
		Mar.	n/a	170

Source: St. Louis Merchants Exchange



Barge Movements on the Mississippi River (Lock 27)**Barge Grain Movements (1,000 Tons)**

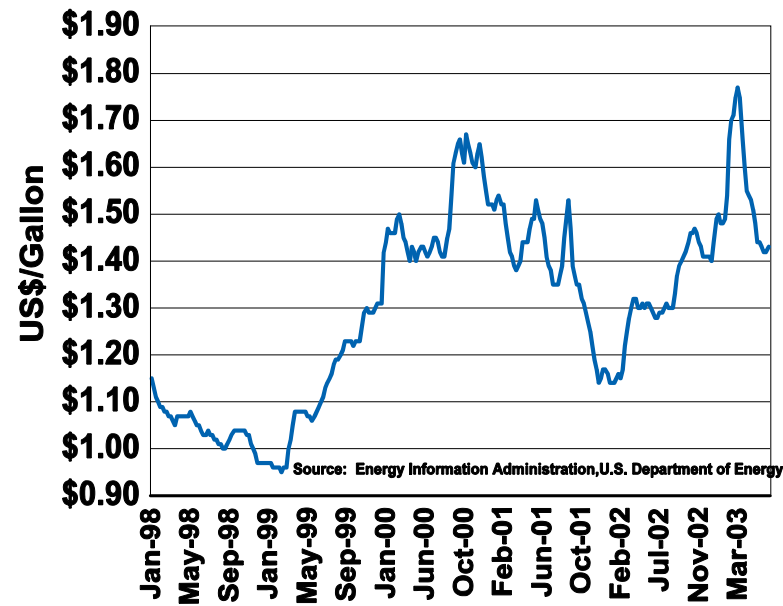
for week ending 8/23/03

	<u>Corn</u>	<u>Wht</u>	<u>Sybn</u>	<u>Total</u>
Mississippi River				
Rock Island, IL (L15)	265	20	12	298
Winfield, MO (L25)	364	23	31	419
Alton, IL (L26)	533	27	39	601
Granite City, IL (L27)	496	15	39	551
Illinois River (L8)	113	3	19	135
Ohio River (L52)	6	18	10	40
Arkansas River (L1)	0	39	0	39
2003 YTD	19,421	1,643	5,371	26,974
2002 YTD	23,967	1,703	6,829	33,594
% of 2002 YTD	81%	97%	79%	81%
Total 2001	31,878	2,679	10,616	47,091

Source: U.S. Army Corp of Engineers,
YTD and Calendar year total includes Miss/27, Ohio/52 and Ark/1.

TRUCK TRANSPORTATION

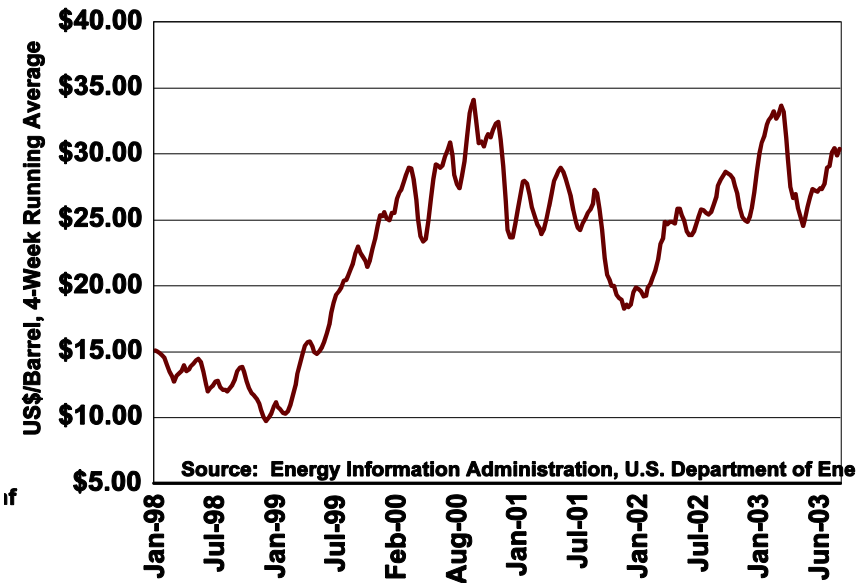
Weekly U.S. Retail Road Diesel Price



The weekly **Diesel Price** provides a proxy for trends in U.S truck rates. Diesel fuel is a significant expense for truck grain movements, accounting for 37% of the estimated variable cost. **Crude Oil Price** is an indicator in future diesel price trends.

Weekly Brent Crude Price, Friday Close

Light Sweet Crude is exchanged on the New York Mercantile Exchange. North Sea oil has a "benchmark" role in crude oil pricing. Brent crude, a blend of North Sea oils, is traded on the International Petroleum Exchange in London.



Crude Oil Prices (09/02/03)			
US\$ per Barrel	This Week	Last Week	
Light Sweet Crude (NYMEX)	29.10	31.25	↓
Brent Crude	27.93	30.06	↓

Source: www.eia.doe.gov; *U.S. Refiner Crude Acquisition Cost, Composite Domestic & Import

GRAIN EXPORTS

U.S. Export Balances (1,000 Metric Tons)									
	W h e a t						C o r n *	S o y b e a n *	T o t a l
	HRW	SRW	HRS	SW W	DUR	All			
08/21/2003	2,273	653	1,330	647	209	5,111	7,531	8,099	20,741
This Week Year Ago	1,110	338	1,081	625	90	3,244	2,848	690	6,782
Commulative Exports-Crop Year									
03/04 YTD	2,649	794	1,346	759	193	5,740	38,728	28,739	73,207
02/03 YTD	2,146	768	1,380	793	224	5,311	46,634	29,571	81,516
01/02 Total	8,761	5,485	5,582	3,175	1,133	24,135	48,003	29,926	102,064
00/01 Total	9,314	4,445	5,775	5,156	1,130	25,819	47,734	27,567	101,120
99/00 Total	10,629	4,195	5,590	4,055	984	25,453	48,760	26,972	101,185
Source: Foreign Agricultural Service YTD-Year-to-Date (www.fas.usda.gov)									

U.S. Grain Inspected for Export



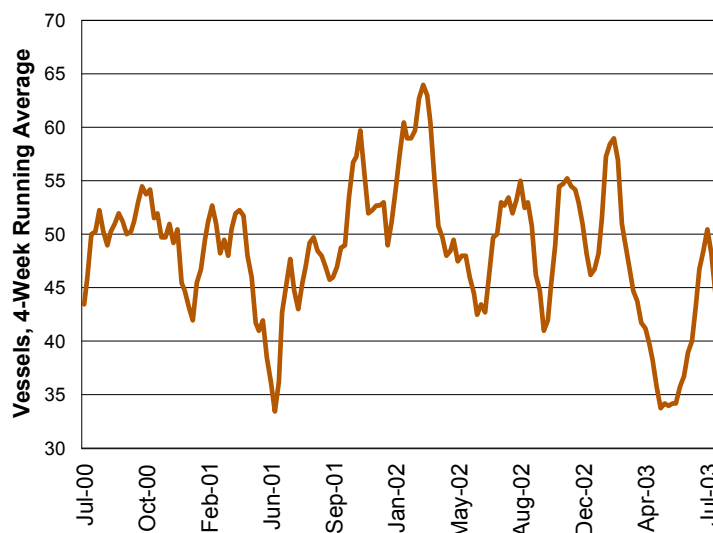
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U.S. Port Regions - Grain Inspections for Export (1,000 Metric Tons)

	<u>Pacific Region</u>			<u>Mississippi Gulf</u>			<u>Texas Gulf</u>			<u>Port Region Total</u>		
	<i>Wheat</i>	<i>Corn</i>	<i>Soybn</i>	<i>Wheat</i>	<i>Corn</i>	<i>Soybn</i>	<i>Wheat</i>	<i>Corn</i>	<i>Soybn</i>	<i>Pacific</i>	<i>Mississippi</i>	<i>Texas</i>
08/28/03	221	189	17	313	637	61	162	7	0	427	1,011	170
2003 YTD	5,502	3,501	2,736	3,597	18,846	10,650	3,899	536	56	11,739	33,093	4,491
2002 YTD	5,827	2,929	1,451	3,997	25,929	11,071	4,186	214	360	10,208	40,997	4,761
% of 2002 YTD	94%	120%	189%	90%	73%	96%	93%	250%	16%	115%	81%	94%
2002 Total	10,007	5,877	1,639	6,829	34,991	17,996	6,971	468	468	17,523	59,816	7,906

Source: Federal Grain Inspection Service YTD-Year-to-Date

Gulf Port Region Grain Vessel Loading Past 7 Days



The U.S. Exports Approximately One-Quarter of the Grain it Produces. On average, it includes nearly 45% of U.S. grown wheat, 35% of U.S. grown soybeans, and 20% of the U.S. grown corn.

Over 60% of these U.S. export grain shipments departed through Louisiana Gulf region in 2002.

Port Region Ocean Grain Vessels

	Gulf			Pacific Northwest	Vancouver B.C.
	<u>In Port</u>	<u>Loaded 7-Days</u>	<u>Due Next 10-Days</u>	<u>In Port</u>	<u>In Port</u>
08/21/03	41	57	72	9	8
08/28/03	30	50	64	12	10
2002 Range	(15..55)	(33..66)	(44..82)	(3..15)	(0..12)
2002 Avg	35	51	65	8	5

Source: Transportation & Marketing /AMS/ USDA

Quarterly Ocean Freight Rates

Average Rates & Percentage Changes, U.S. Dollars/Metric Ton

	2003 2 nd Qtr	2002 2 nd Qtr	% Change		2003 2 nd Qtr	2002 2 nd Qtr	% Change
Gulf to				Pacific NW to			
Japan	\$31.53	\$19.43	62%	Japan	\$19.33	\$11.03	75%
Mexico	-	\$46.92	-				
N. Europe	\$18.98	\$13.58	40%	Argentina/Brazil to			
N. Africa	\$21.75	\$15.84	37%	Med. Sea	\$24.50	\$16.98	44%
Med. Sea	\$21.88	\$12.62	73%	N. Europe	-	\$17.16	-
				China	\$32.50	-	-

Source: Transportation & Marketing/AMS/USDA

Ocean Freight Rates for Selected Shipments - week ending 8/30/03

Export Region	Import Region	Grain	Month	Volume Loaded (Tons)	Freight Rate (\$Ton)
St Lawrence	Italy	Wheat	Aug 28/31	30,000	\$23.00
St Lawrence	Italy	Wheat	Aug 29/Sep 10	50,000	\$16.00
St Lawrence	Morocco	Wheat	Sep 1/7	22,000	\$23.75
U.S. Gulf	Bolivia	Wheat	Sep 10/20	22,000	\$73.04*
U.S. Gulf	Peru	Grains	Aug 28/Sep 3	5,500	\$172.73*
U.S. Gulf	Netherlands	Grains	Aug 28/Sep 5	25,000	\$23.00 Equiv
River Plate	Spain	Grains	Sep 1/10	30,000	\$26.00
River Plate	Algeria	Meals	Aug25/31	18,500	\$34.25

Source: Maritime Research Inc.

Rates shown are for metric ton (2,204.62 lbs.=one metric ton), F.O.B., except where otherwise indicated; op=option

*Most food aid from the United States is required to be shipped on U.S. flag vessels. The vessels are of limited availability resulting in higher rates. In addition, destinations receiving food aid generally lack adequate port unloading facilities, requiring the vessel to remain in port for a longer duration than normal.

CANADIAN PORTS ACTIVITY
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Select Canadian Port Export Inspections 1,000 Metric Tons, Week End Summary

	<u>Wheat</u>	<u>Durum</u>	<u>Barley</u>
06/19/2003			
Vancouver	105	5	
Prince Rupert			
Prairie Direct	5		
Thunder Bay	18		
St. Lawrence	4,492	2,329	290
2001/02 YTD	10,666	2,963	961
2002/03 YTD	4,620	2,334	290
% of Last Year	43%	79%	30%

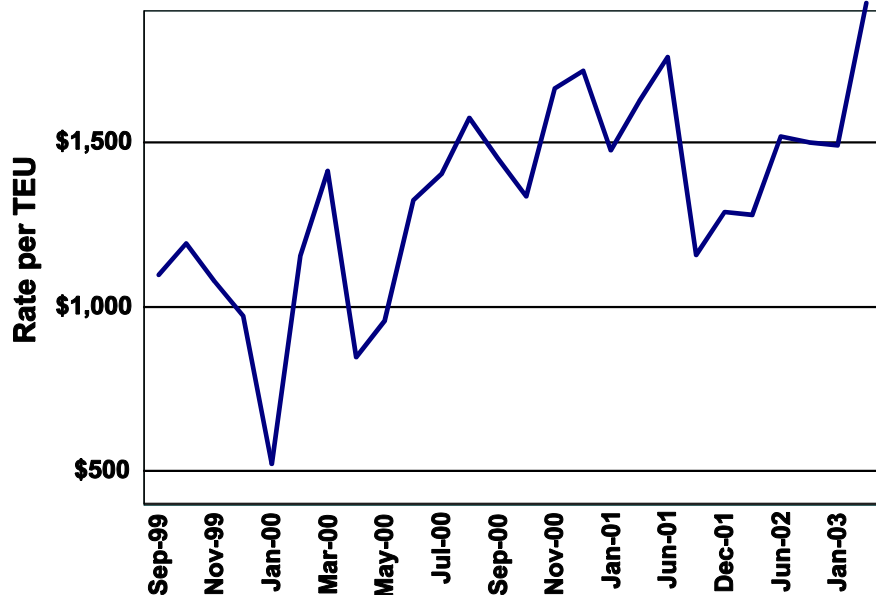
Source: Canadian Grains Commission, Crop Year 8/1-7/31

CONTAINER

Container Ocean Freight Rates

Average Rate per TEU, Weighed by Shipping Line Market Share
Source: Transportation & Marketing/AMS/USDA, Quarterly Updates

Container Rates - Soybeans
Seattle, WA Origin to Tokyo, Japan



Approximately 420,000 MT of grain and oilseed exports were marketed via container in 2001. This volume increased 26% compared to 1997.

Container Rates - Feed Grain
Seattle, WA Origin to Selected Destinations

